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12
13 **UNITED STATES BANKRUPTCY COURT**
14 **EASTERN DISTRICT OF CALIFORNIA**
15 **FRESNO DIVISION**

16 In re

Case No. 17-13797

17 TULARE LOCAL HEALTHCARE
18 DISTRICT, dba TULARE REGIONAL
19 MEDICAL CENTER,

Chapter: Chapter 9

DC No.: BPC-001

20 Debtor.

21 Tax ID #: 94-6002897
22 Address 869 N. Cherry St.
23 Tulare, CA 93274

Date: October 25, 2018
Time: 9:30 a.m.
Ctrm.: 13
2500 Tulare Street
Fresno, CA 93721
Judge: Honorable René Lastreto II

24 **STIPULATION TO CONTINUE HEARING ON WELLS FARGO VENDOR FINANCIAL**
25 **SERVICES, LLC'S MOTION FOR ORDER (A) COMPELLING ASSUMPTION OR**
26 **REJECTION OF EQUIPMENT LEASES AND (B) DIRECTING PAYMENT OF POST-**
27 **PETITION ADMINISTRATIVE RENT OR, ALTERNATIVELY, (C) TERMINATING THE**
28 **AUTOMATIC STAY**

29 Tulare Local Healthcare District, dba Tulare Regional Medical Center (the
30 "District"), the debtor in the above-captioned case, and Wells Fargo Vendor Financial
31 Services, LLC ("WVFS") (WVFS and the District are referred to herein, collectively, as
32 "the Parties"), hereby stipulate and agree to continue the hearing on the WVFS's
33 Motion for Order (A) Compelling Assumption or Rejection of Equipment Leases and (B)
34 Directing Payment of Post-Petition Administrative Rent Or, Alternatively, (C) Terminating
35 the Automatic Stay, as set forth below.

STIPULATED FACTS

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2 A. On September 30, 2017 ("Petition Date"), the District commenced its
3 Chapter 9 case.

4 B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 157 and
5 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core
6 proceeding under 28 U.S.C. § 157(b)(2).

7 C. This stipulation is entered into pursuant to 11 U.S.C. §§ 365 and 901 and
8 LBR 9019.

9 D. On June 29, 2018, WFVFS filed its Motion for Order (A) Compelling
10 Assumption or Rejection of Equipment Leases and (B) Directing Payment of Post-
11 Petition Administrative Rent or, Alternatively, (C) Terminating the Automatic Stay [Dkt.
12 581; BPC-001] (the "Motion to Compel"). By the Motion to Compel, WFVFS seeks,
13 among other things, an order requiring the District to assume or reject two unexpired
14 executory contracts pursuant to which the District leases certain photocopying
15 equipment (as defined herein, "WFVFS's Potential Assumed Contract(s)").

16 E. On July 20, 2018, the District filed its Motion for Authority to Enter Into
17 Transaction Including Borrowing Funds, Sales of Personal Property and Providing
18 Security, Assumption and Assignment of Contracts and Leases and for Authority to
19 Lease Real Property Pursuant to 11 U.S.C. Sections 105, 362, 364, 901 and 922, as
20 well as certain declarations and exhibits in support thereof [Dkt. 603; WW-41]
21 (collectively, the "Transaction Motion").

22 F. By the Transaction Motion, the District designates WFVFS as having at
23 least one "Potential Assumed Contract" (i.e., WFVFS's Potential Assumed Contract(s))
24 and indicates that the amount of the District's default, which default the District must cure
25 to assume and assign WFVFS's Potential Assumed Contract(s) under Section 365 of the
26 Bankruptcy Code, is "\$0.00" (the "Cure Amount").

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1 G. On August 1, 2018, WFFVS filed an objection to the District's Transaction
2 Motion (Dkt. 640) ("Objection").

3 H. By the Objection, WFFVS objects, among other things, to the District's
4 Cure Amount.

5 I. On August 1, 2018, the Court entered an order approving the Parties'
6 stipulation to continue the hearing on the Motion to Compel to October 25, 2018, at 9:30
7 a.m. [Dkt. 637].

8 J. On August 2, 2018, the Court held a hearing on the Transaction Motion, at
9 which time the Parties agreed to continue the hearing on assumption and assignment of
10 WFFVS's Potential Assumed Contract(s) under either the Motion to Compel or the
11 Transaction Motion, to November 29, 2018 at 9:30 a.m. The Parties further agreed that
12 the District's deadline to file a response to the Objection shall not be later than
13 November 15, 2018. The continued hearing date and responsive deadline were
14 incorporated into the Court's order dated August 3, 2018. [Dkt. 678].

15 K. WFFVS has informed the District that the equipment that is the subject of
16 WFFVS's Potential Assumed Contract(s) are depreciating in value on a daily basis.
17 Accordingly, WFFVS has requested that the District determine whether it will assume or
18 reject WFFVS's Potential Assumed Contract(s) as soon as possible.

19 **STIPULATION AND AGREEMENT**

20 Subject to Court approval, the District and WFFVS hereby stipulate and agree as
21 follows:

- 22 1. The foregoing Stipulated Facts are incorporated herein by reference.
23 2. The District shall determine whether it will assume or reject WFFVS's
24 Potential Assumed Contract(s) by October 31, 2018.

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1 3. As the hearing on assumption and assignment of WFVFS's Potential
2 Assumed Contract(s) has been continued to November 29, 2018 at 9:30 a.m. (with the
3 District's deadline to file and serve a response to WFVFS's Objection fixed as November
4 15, 2018 [Dkt. 678]), the hearing on the Motion to Compel currently scheduled for
5 October 25, 2018, at 9:30 a.m., also shall be continued to November 29, 2018, at 9:30
6 a.m.

7 4. The District shall not assume nor assign WFVFS's Potential Assumed
8 Contract(s) absent a resolution of the Cure Amount and related issues by mutual
9 consent of the Parties or by further order of the Court.

10 IT IS SO STIPULATED.

11 Dated: 10/15, 2018

WALTER WILHELM LAW GROUP

12
13 By: 

Danielle J. Bethel
Attorneys for Tulare Local Healthcare
District, dba Tulare Regional Medical
Center

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15
16 Dated: October 15, 2018

BUCHALTER

17
18 By: 

Jeannie Kim
Attorneys for Wells Fargo Vendor
Financial Services, LLC